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EXCISE

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DEPARTMENT OF STATE

Washington, D.C. 20520

March 5, 1981

Dear Senator Cranston:

I am writing in response to your inquiry of January 30, regarding [redacted] interest in the USS Liberty incident of June 8, 1967, and the subject of Israeli compensation for the physical damage caused to the ship by the attack.

I enclose a copy of the statement issued by the Department's Spokesman on December 18, 1980, which explains the details of the settlement reached between the U.S. and Israel on our claim for compensation for damage to the ship. Under the terms of the agreement, Israel is to pay the $6,000,000 compensation in three annual installments of $2,000,000 each. The first of these payments was made on January 15, 1981.

Regarding the incident itself, both the U.S. and world news media covered the Liberty incident extensively at the time it occurred and have continued to follow the case in subsequent years. There is no basis for the suggestion that the U.S. Government has kept the incident from the American public. In reaching agreement with the Government of Israel on compensation for the damage to the ship, the United States is not "sweeping the matter under the rug," as suggested in Mr. Price's letter.

Allegations have been periodically made that Israel deliberately attacked the Liberty. The Department has no information that would corroborate these allegations. In 1967, a U.S. Navy Court of Inquiry made a full investigation of the attack upon the Liberty. Officers and men of the Liberty testified at this inquiry, and message traffic to and from the ship was reviewed thoroughly. The transcript of the proceedings of the Court of Inquiry has been available to the public for several years. The Court reached the conclusion that it did not have sufficient information to make a judgment about the reasons for the

The Honorable
Alan Cranston,
United States Senate.

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Israeli action against the Liberty. It is doubtful that a new investigation at this time would resolve the different allegations about the incident, many of which involve assumptions that would be difficult to prove or disprove conclusively.

Israel stated that the attack was the result of confusion and error by its armed forces during the 1967 Arab-Israeli War. The Department of State was deeply concerned by the attack on the Liberty. It immediately made clear to the Government of Israel that the U.S. held Israel responsible for the incident. In turn, the Government of Israel offered an immediate apology, accepted complete responsibility and offered to pay compensation for the deaths and injuries caused to American personnel by the attack. As noted in the Spokesman's remarks, the Government of Israel paid in full the U.S. claims on behalf of the men who were killed and injured, and the U.S. has accepted Israel's offer to settle the U.S. claim for compensation for damage to the ship itself.

Sincerely,

Alvin Paul Drischler
Acting Assistant Secretary
for Congressional Relations

Enclosures:

1. Correspondence returned.
2. Press Statement.

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Cleared:NEA/IAI:JLHirsch
NEA:MKrager
H:LGrossman

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